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TO: Charles Dodd, Deputy Director  
Information Technology Services

FROM: Irvin Corley, Jr., Fiscal Analysis Director

14.

DATE: May 3, 2011

RE: 2011-2012 Budget Analysis

Attached is our budget analysis regarding your department's budget for the upcoming 2011-2012 Fiscal Year.

We would appreciate a written response to the issues/questions by **Tuesday, May 10, 2011**. Please forward a copy of your responses to the Councilmembers and the City Clerk's Office.

Please contact us if you have any questions regarding our budget analysis.

Thank you for your cooperation in this matter.

IC:ss

Attachment

cc: Councilmembers  
Council Divisions  
Auditor General's Office  
Thomas Lijana, Finance Director  
Floyd Stanley, Budget Deputy Director  
Ron Chenault, Budget Department Team Leader  
Denise Gardner, Mayor's Office

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## Information Technology Services Department (31)

### FY 2011-2012 Budget Analysis by the Fiscal Analysis Division

#### Summary

The Information Technology Services Department provides effective, reliable and secure information technology and related services to City agencies, enabling them to effectively manage assets and deliver services to Detroit's citizens, businesses and visitors in accordance with the Mayor's vision of transforming and rightsizing government. The Mayor's Proposed Budget for 2011-2012 includes appropriations of \$22,326,793, a decrease of 1.3% percent from last year's budget amount of \$22,622,898, and revenue of \$769,217, which reflects a decrease of 55.1% from last year's amount of \$1,713,080. The Information Technology Services Department has a net tax cost of \$21,557,576.

#### 2010-2011 Surplus/(Deficit)

The Administration anticipates a surplus of \$1,478,388 for the Information Technology Services Department for fiscal year 2010-2011. This surplus is primarily due to contract and personnel services savings.

#### Overtime

The Mayor's Proposed Budget for fiscal year 2011-2012 includes overtime expenses in the amount of \$103,500, which reflects a decrease of \$78,406 from last year's budget amount of \$181,906. As of March 31, 2011, the Information Technology Services Department has expended \$50,965 on overtime.

#### Personnel and Turnover Savings

The Mayor's 2011-2012 Proposed Budget does not include any personnel or turnover savings for the Information Technology Services Department.

	Redbook Positions FY 2010-11	Filled Positions 3/31/2011	Mayor's Budget Positions FY 2011-12	Over/(Under) Actual to 10/11 Budget	Mayor's Recommended Turnover
<u>Appropriation/Program</u>	<u>FY 2010-11</u>	<u>3/31/2011</u>	<u>FY 2011-12</u>	<u>10/11 Budget</u>	<u>Turnover</u>
<b>Information &amp; Tech. Services (31):</b>					
310010 Ofc. Of Info. Tech. Svcs.	2	2	3	0	\$ -
310020 Contracts & Administration	3	3	3	0	\$ -
310035 Enterprise Application Support Team	3	1	0	(2)	\$ -
310050 Client Support Services	1	0	1	(1)	\$ -
310070 System Support & Mgmt.	7	5	8	(2)	\$ -
310080 Data Network Services	5	3	5	(2)	\$ -
310100 Non-Financial Applications	18	22	22	4	\$ -
310130 Operations	7	6	9	(1)	\$ -
310300 Public Safety	8	9	2	1	\$ -
310335 Publishing Services	8	7	0	(1)	\$ -
310355 Dedicated Services	5	5	4	0	\$ -
<b>00024 Central Data Processing</b>	<b>67</b>	<b>63</b>	<b>57</b>	<b>(4)</b>	<b>\$ -</b>
<b>11827 Publishing Services</b>		<b>0</b>		<b>0</b>	<b>\$ -</b>

11828 Mailroom & Delivery	0	0	\$ -
31XXXX Leave of Absence	<u>0</u>	<u>0</u>	<u>\$ -</u>
<b>TOTAL</b>	<b><u>67</u></b>	<b><u>63</u></b>	<b><u>57</u></b>
		<b><u>(4)</u></b>	<b><u>\$ -</u></b>

### Proposed Layoffs and Position Changes

The Mayor's 2011-2012 Proposed Budget does includes a decrease of 10 Full Time Equivalent (FTE) positions for the Information Technology Services Department.

#### **Information Technology Services (31)**

Budgeted Professional and Contractual Services by Activity	FY 2001011 Budget	FY 2011-12 Recommended	Increase (Decrease)
Computer Operations	\$ 2,025,520	\$ 2,852,829	\$ 827,309
<b>Total</b>	<b><u>\$ 2,025,520</u></b>	<b><u>\$ 2,852,829</u></b>	<b><u>\$ 827,309</u></b>

### Significant Funding Changes by Appropriation

<u>Appro.</u>	<u>Program</u>		
00024	Central Processing	Data	The Mayor's 2011-2012 Proposed Budget includes \$22,326,793 in Central Data Processing, a decrease of \$296,105 from the prior year budget amount of \$22,622,898. The decrease is mainly due to decreases of \$810,956 in Software Maintenance, \$357,660 in Printing, \$282,131 in Salaries, \$243,883 in Air Conditioning Repairs and Maintenance, \$212,380 in Miscellaneous Repairs and Maintenance and increases of \$717,042 in Information Technology Contract Services, \$799,296 in Hardware Maintenance, and \$315,747 in Paper Goods.

### Significant Revenue Changes

<u>Appro.</u>	<u>Program</u>		
00024	Central Processing	Data	The Mayor's 2011-2012 Proposed Budget includes \$769,217, a decrease of \$943,863 from the previous budgeted amount of \$1,713,080. The decrease is mainly due to a decrease of \$1,310,667 in Other Reimbursements and increases of \$137,804 in Personal Services and \$219,000 in Postage Reimbursements.

## Issues and Questions

1. What is included in the department's Other Reimbursement revenue (obj. 447605) and what is the reason for the decrease of \$1,310,667 in Other Reimbursements?
2. How will employee reductions affect ITS's ability to complete day-to-day operations for the following fiscal year 2011-12 goals:
  - a. Centralizing IT Procurement
  - b. Consolidating Data Centers and Virtualization of Servers
  - c. Maintaining the City's current technology investments by consolidating core services
  - d. Improving the City's technology infrastructure and financial platform
  - e. Reorganizing ITS Department and Improve Relationship between ITS, City department and the Vendor Community.
  - f. Improving Information Technology Security
  - g. Improving City of Detroit Website
3. One of the initiatives for fiscal years 2011-2012 and 2012-2013 and beyond includes the decommissioning of the City's mainframe environment and migrate legacy systems to Windows applications. What is the cost associated with decommissioning the City's mainframe platform?
4. In regards to the decommissioning of the City's mainframe platform, what is the projected timeline for the completion of this initiative?
5. What is the targeted completion date for upgrading the City's operating systems to Windows 7 and updating Microsoft Office to version 2010?
6. What is the projected cost to upgrade the City of Detroit's operating systems to Windows 7, as well as updating the City of Detroit Microsoft Office Professional Suite to version 2010 or the latest Office Suite release?